

#### **HEALTH ANNUAL STATEMENT**

# FOR THE YEAR ENDING DECEMBER 31, 2005 OF THE CONDITION AND AFFAIRS OF THE

**Upper Peninsula Health Plan, Inc.** 

|  | 0000<br>ent Period)   | (Prior Period)  | NAIC Company Code   | 52615   | Employer's ID Numbe   | er 38-3379956   |  |  |  |
|--|---|---|---|---|---|---|--|--|--|
| Organized under the Laws of  | ,   | Michigan  | St  | ate of Domicile o   | or Port of Entry  | Michigan  |  |  |  |
| Country of Domicile  | . <u> </u>  | ····ga  |   | tates of America  | -   |   |  |  |  |
| Licensed as business type:   | Life Accid  | ent & Health [ ]  |   |   | al Service Corporation [ ]  |   |  |  |  |
| Licensed de saemece type.  | •   | vice Corporation [ ]  | · ·   |   | th Maintenance Organization   | n [ X ]   |  |  |  |
|  |   |   | vice or Indemnity [ ]   |   | nO, Federally Qualified? Ye   |   |  |  |  |
| Incorporated/Organized   | , ,   |   | ,   |   | 08/01   |   |  |  |  |
| Incorporated/Organized   |   | 10/14/1997  | Commer  | nced Business   | 06/01   | 71990   |  |  |  |
| Statutory Home Office  |   | 228 W. Washir<br>(Street and Nu   |   |   | Marquette, MI 4<br>(City or Town, State and   |   |  |  |  |
| Main Administrative Office   |   | ·   | 22  | 8 W. Washingto  | n St  | . ,   |  |  |  |
|  | rauette MI 4  | 0055  | 22  | (Street and Number  | )   |   |  |  |  |
|  | rquette, MI 4<br>Town, State and  |   |   | (   | 906-225-7500<br>Area Code) (Telephone Number)   |   |  |  |  |
| Mail Address   |   | W. Washington St.   |   |   | Marquette, MI 49855   |   |  |  |  |
| Driver and a setting of Dealer of  | ,   | and Number or P.O. Box)   |   | 000 14/ 14  | (City or Town, State and Zip C  | ode)  |  |  |  |
| Primary Location of Books a  | na Records  |   |   |   | /ashington St.<br>and Number)   |   |  |  |  |
|  | rquette, MI 4   |   |   | <u> </u>  | 906-225-7491<br>Area Code) (Telephone Number)   |   |  |  |  |
| Internet Website Address   | z, otato uno  | ,/  | w   | ww.uphp.com   | , and doddy (Tolopholie Nulliber)   |   |  |  |  |
| Statutory Statement Contact  |   | Patrick N. Thoms  |   |   | 906-225-7491  |   |  |  |  |
| •  |   | (Name)  |   | _   | (Area Code) (Telephone Numbe  |   |  |  |  |
| puic   | omson@uph<br>(E-mail Addres   |   |   |   | 906-225-7690<br>(FAX Number)  |   |  |  |  |
| Policyowner Relations Conta  | ct  |   | 22  | 8 W. Washingto  | n St.   |   |  |  |  |
| Mo   | rauette ML  | (Street and   |   | - J   | 906-225-7500  |   |  |  |  |
|  | rquette, MI 4<br>Town, State and  |   |   | (Area   | Code) (Telephone Number) (Extens  | sion)   |  |  |  |
|  |   |   | OFFICEDO  |   |   |   |  |  |  |
| Name   |   | Title   | OFFICERS  | Name  |   | Title   |  |  |  |
| Dennis H. Smith  |   | President   | <u> </u>  | Greg A. Gusta   | afson,  | Treasurer   |  |  |  |
| William Nemacheck  |   | Secretary   |   |   | ,   |   |  |  |  |
|  |   |   | OTHER OFFIC   | ERS   |   |   |  |  |  |
|  |   | DIRE  | CTORS OR TR   | USTEES  |   |   |  |  |  |
| John Schon Wayne Hellerstedt   |   | James Bog<br>Robert Vai   |   | William Nemac<br>Eric Jurgens   |   |   |  |  |  |
| David Jahn   |   | Robert Val  |   | Enc Juigens   | en ivi  | Chelle Tavernier  |  |  |  |
| State of   | Michigan  |   |   |   |   |   |  |  |  |
| County of  | · ·   | SS  |   |   |   |   |  |  |  |
| The officers of this reporting enti above, all of the herein described this statement, together with relat of the condition and affairs of the completed in accordance with the that state rules or regulations req respectively. Furthermore, the sc exact copy (except for formatting to the enclosed statement. | ty, being duly<br>I assets were<br>ted exhibits, so<br>e said reporting<br>NAIC Annual<br>uire difference<br>ope of this atto | sworn, each depose ar<br>the absolute property of<br>chedules and explanatic<br>g entity as of the reporti<br>Statement Instructions<br>in reporting not relate<br>estation by the describe | the said reporting entity, from therein contained, anne not period stated above, ar and Accounting Practices and to accounting practices and officers also includes the | ee and clear from a<br>xed or referred to i<br>d of its income and<br>and Procedures ma<br>nd procedures, acc<br>related correspond | any liens or claims thereon, ext<br>s a full and true statement of a<br>d deductions therefrom for the<br>anual except to the extent that:<br>cording to the best of their infor<br>ding electronic filing with the N | cept as herein stated, and that<br>ill the assets and liabilities and<br>period ended, and have been<br>(1) state law may differ; or, (2)<br>mation, knowledge and belief,<br>IAIC, when required, that is an |  |  |  |
| Dennis H. Smith<br>President   |   |   | Greg A. Gustafs<br>Treasurer  | on  |   | William Nemacheck<br>Secretary  |  |  |  |
|  |   |   |   | a. Is   | this an original filing?  | Yes [ ] No [ X ]  |  |  |  |
| Subscribed and sworn to be 30 day of   |   |   |   | b. If r   |   |   |  |  |  |
| 30day ofMarch, 2006  |   |   |   | 2.  | Date filed  | 03/31/2006  |  |  |  |
| Tanya M. Jennings<br>Executive Assistant<br>October 11, 2007   |   |   |   | 3. I  | Number of pages attached  |   |  |  |  |

#### **EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID**

| 1   | 2           | 3            | 1 1          | 5            | 6           | 7        |
|---|-------------|--------------|--------------|--------------|-------------|----------|
| Name of Debtor  | 1 - 30 Days | 31 - 60 Days | 61 - 90 Days | Over 90 Days | Nonadmitted | Admitted |
| 0199999 Total individuals   |             |              |              |              |             |          |
| Group subscribers:  |             |              |              |              |             |          |
|   |             |              |              |              |             |          |
|   |             |              |              |              |             |          |
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|   |             |              |              |              |             |          |
|   |             |              |              |              |             |          |
| 0299997 Group subscriber subtotal   | 0           | 0            | 0            | 0            | 0           | 0        |
| 0299997 Group subscriber subtotal   |             |              |              |              |             |          |
| 0299999 Total group 0399999 Premiums due and unpaid from Medicare entities 0499999 Premiums due and unpaid from Medicaid entities | ļ0          | J0           | 0            | 0            | <b> </b> 0  | 0        |
| 0399999 Premiums due and unpaid from Medicare entities  |             |              |              |              |             |          |
| 0499999 Premiums due and unpaid from Medicaid entities  |             |              |              |              |             |          |
| 0599999 Accident and health premiums due and unpaid (Page 2, Line 13)   | 0           | 0            | 0            | 0            | 0           | 0        |

#### **EXHIBIT 3 - HEALTH CARE RECEIVABLES**

| EXHIBIT 5 - HEALTH CARE RECEIVABLES  |             |              |              |              |             |  |
|--|-------------|--------------|--------------|--------------|-------------|--|
| 1  | 2           | 3            | 4            | 5            | 6           | 7                                      |
| Name of Debtor   | 1 - 30 Days | 31 - 60 Days | 61 - 90 Days | Over 90 Days | Nonadmitted | Admitted                               |
| Individually Listed Receivables: Various Providers.  0299999 - MIChild December 2005 premium revenue. Maturnity Case Rates. Psychotropic Drug Reimbursements.  0699999 - |             |              |              |              |             |  |
| Various Providers  | 343,721     |              |              |              |             |  |
| 0299999 -  | 343,721     |              |              |              |             |  |
| MIChild December 2005 premium revenue.   |             |              |              |              |             |  |
| Maturnity Case Rates   |             |              |              |              |             |  |
| Psychotropic Drug Reimbursements.  |             |              |              |              |             | 23,274<br>85,274<br>310,998<br>419,546 |
| 0699999 -  | 407 , 350   | 12,196       |              |              |             | 419,546                                |
|  |             |              |              |              |             |  |
|  |             |              |              |              | -           |  |
|  |             |              |              |              | •           |  |
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|  |             | <b>†</b>     |              |              | -           |  |
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|  |             |              |              |              |             |  |
|  |             |              |              |              |             |  |
|  |             |              |              |              |             |  |
| 0799999 Gross health care receivables  | 751,071     | 12,196       |              |              |             | 763,267                                |

## **EXHIBIT 4 – CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**

| 1  |  | Aging Analysis of Unpaid                | Claims       | _            | _             | _                                     | -         |
|--|--|---|--------------|--------------|---------------|---------------------------------------|-----------|
| Name   India   | 1  | 2                                       | 3            | 4            | 5             | 6                                     | 7         |
| 1,026,779 21,847 34,632 412 0 1,083,670 (299999 Aggregate accounts not individually listed-uncovered (399999 Aggregate accounts not individually listed-covered (49,029) (49,0 | Account  | 1 - 30 Days                             | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | Over 120 Days                         | Total     |
| 1,026,779 21,847 34,632 412 0 1,083,670 (299999 Aggregate accounts not individually listed-uncovered (399999 Aggregate accounts not individually listed-covered (49,029) (49,0 | Claims Unpaid (Reported)                                   |   |              |              |               |                                       |           |
| 1,026,779 21,847 34,632 412 0 1,083,670 (299999 Aggregate accounts not individually listed-uncovered (399999 Aggregate accounts not individually listed-covered (49,029) (49,0 | Bay Home Medical and Rehab                                 |   |              | 12,494       |               |                                       | 12,494    |
| 1,026,779 21,847 34,632 412 0 1,083,670 (299999 Aggregate accounts not individually listed-uncovered (399999 Aggregate accounts not individually listed-covered (49,029) (49,0 | Grand View Hospital  |   |              | 1,779        |               |                                       | 10,328    |
| 1,026,779 21,847 34,632 412 0 1,083,670 (299999 Aggregate accounts not individually listed-uncovered (399999 Aggregate accounts not individually listed-covered (49,029) (49,0 | Marquette General Hospital                                 |   | 13,561       | 20,359       | 149           |                                       | 34,069    |
| 1,026,779 21,847 34,632 412 0 1,083,670 (299999 Aggregate accounts not individually listed-uncovered (399999 Aggregate accounts not individually listed-covered (49,029) (49,0 | 4D Pharmacy Management Systems, Inc                        |   |              |              |               |                                       | 1,026,779 |
| 2099999 Aggregate accounts not individually listed-uncovered   |  |   |              |              |               |                                       |           |
| 2099999 Aggregate accounts not individually listed-uncovered   |  |   |              |              |               |                                       |           |
| 2099999 Aggregate accounts not individually listed-uncovered   |  |   |              |              |               |                                       |           |
| 2099999 Aggregate accounts not individually listed-uncovered   |  |   |              |              |               |                                       |           |
| 2099999 Aggregate accounts not individually listed-uncovered   |  |   |              |              |               |                                       |           |
| 2099999 Aggregate accounts not individually listed-uncovered   |  |   |              |              |               |                                       | •         |
| 2099999 Aggregate accounts not individually listed-uncovered   |  | -                                       |              |              |               |                                       |           |
| 2099999 Aggregate accounts not individually listed-uncovered   |  | -                                       |              |              |               |                                       |           |
| 2099999 Aggregate accounts not individually listed-uncovered   |  |   |              | •            |               |                                       |           |
| 2099999 Aggregate accounts not individually listed-uncovered   |  | •                                       |              |              |               |                                       |           |
| 2099999 Aggregate accounts not individually listed-uncovered   |  |   |              |              |               |                                       |           |
| 2099999 Aggregate accounts not individually listed-uncovered   |  |   |              |              |               |                                       |           |
| 2099999 Aggregate accounts not individually listed-uncovered   |  | *************************************** |              |              |               |                                       |           |
| 2099999 Aggregate accounts not individually listed-uncovered   |  |   |              |              |               |                                       | <b>†</b>  |
| 2099999 Aggregate accounts not individually listed-uncovered   | 0199999 Individually listed claims uppaid                  | 1 026 779                               | 21 847       | 34 632       | 412           | 0                                     | 1 083 670 |
| 0399999 Aggregate accounts not individually listed-covered     69,270     69,270       0499999 Subtotals     1,026,779     21,847     103,902     412     0     1,152,940       0599999 Unreported claims and other claim reserves     4,174,060       0699999 Total amounts withheld     5,327,000  |  | 1,020,770                               |              |              |               |                                       | 0         |
| 1,026,779 21,847 103,902 412 0 1,152,940 1,152 | 0399999 Aggregate accounts not individually listed-covered |   |              | 69.270       |               |                                       | 69.270    |
| 0599999 Unreported claims and other claim reserves       4,174,060         0699999 Total amounts withheld       5,327,000         0799999 Total claims unpaid       5,327,000  |  | 1.026.779                               | 21.847       |              | 412           | 0                                     | 1.152.940 |
| 0699999 Total amounts withheld 5,327,000 5,327,000   |  | .,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | =:,=::       | ,            | · · · ·       | · · · · · · · · · · · · · · · · · · · |           |
| 799999 Total claims unpaid 5,327,000   |  |   |              |              |               |                                       | 1,111,000 |
|  |  |   |              |              |               |                                       | 5.327 000 |
|  | 0899999 Accrued medical incentive pool and bonus amounts   |   |              |              |               |                                       | 0         |

# Exhibit 5 - Amounts Due From Parent, Subs

Exhibit 6 - Amounts Due To Parent, Subs

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#### ANNUAL STATEMENT FOR THE YEAR 2005 OF THE Upper Peninsula Health Plan, Inc.

#### **EXHIBIT 7 PART 1- SUMMARY OF TRANSACTIONS WITH PROVIDERS**

| Payment Method   | 1<br>Direct Medical<br>Expense<br>Payment | 2<br>Column 1<br>as a %<br>of Total | 3<br>Total<br>Members<br>Covered | 4<br>Column 3<br>as a %<br>of Total | 5<br>Column 1<br>Expenses Paid to<br>Affiliated Providers | 6<br>Column 1<br>Expenses Paid to<br>Non-Affiliated Providers |
|--|---|-------------------------------------|----------------------------------|-------------------------------------|---|---|
| Capitation Payments:                                   | 0   | 0.0                                 |                                  | 0.0                                 |   |   |
| Medical groups     Intermediaries                      |   | 0.0                                 |                                  | 0.0                                 |   |   |
| 3. All other providers                                 | 0   | 0.0                                 |                                  | 0.0                                 |   |   |
| Total capitation payments                              | 0   | 0.0                                 | 0                                | 0.0                                 | 0   | 0   |
| Other Payments:  |   |                                     |                                  |                                     |   |   |
| 5. Fee-for-service                                     |   | 7.5                                 | XXX                              | XXX                                 |   | 3,246,993   |
| 6. Contractual fee payments                            | 40,046,253                                | 92.5                                | XXX                              | XXX                                 | 40,046,253  |   |
| 7. Bonus/withhold arrangements - fee-for-service       | 0   |                                     | XXX                              | XXX                                 |   |   |
| Bonus/withhold arrangements - contractual fee payments | 0   |                                     | XXX                              | XXX                                 |   |   |
| 9. Non-contingent salaries                             | 0   | 0.0                                 | XXX                              | XXX                                 |   |   |
| 10. Aggregate cost arrangements                        |   | 0.0                                 | XXX                              | XXX                                 |   |   |
| 11. All other payments                                 |   | 0.0                                 | XXX                              | XXX                                 |   |   |
| 12. Total other payments                               | 43,293,246                                | 100.0                               | XXX                              | XXX                                 | 40,046,253  | 3,246,993   |
| 13. TOTAL (Line 4 plus Line 12)                        | 43,293,246                                | 100 %                               | XXX                              | XXX                                 | 40,046,253  | 3,246,993   |

#### **EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES**

| 1              | 2                    | 3               | 4<br>Average<br>Monthly<br>Capitation | 5<br>Intermediary's                      | 6<br>Intermediary's<br>Authorized |
|----------------|----------------------|-----------------|---------------------------------------|--|-----------------------------------|
| NAIC Code      | Name of Intermediary | Capitation Paid | Capitation                            | Intermediary's<br>Total Adjusted Capital | Control Level RBC                 |
|                |                      |                 |                                       |  |                                   |
|                |                      |                 |                                       |  |                                   |
|                |                      |                 |                                       |  |                                   |
|                | NONE                 |                 |                                       |  |                                   |
|                |                      |                 |                                       |  |                                   |
|                |                      |                 |                                       |  |                                   |
|                |                      |                 |                                       |  |                                   |
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|                |                      |                 |                                       |  | ļ                                 |
|                |                      |                 |                                       |  |                                   |
| 9999999 Totals |                      |                 | XXX                                   | XXX                                      | XXX                               |

### **EXHIBIT 8 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED**

| •   | 1      | 2            | 3                        | 4                               | 5                      | 6                   |
|---|--------|--------------|--------------------------|---------------------------------|------------------------|---------------------|
| Description                               | Cost   | Improvements | Accumulated Depreciation | Book Value Less<br>Encumbrances | Assets Not<br>Admitted | Net Admitted Assets |
| Administrative furniture and equipment    | 25,855 |              | 755                      | 25,100                          | 18,825                 | 6,275               |
| Medical furniture, equipment and fixtures |        |              |                          |                                 |                        |                     |
| Pharmaceuticals and surgical supplies     |        |              |                          |                                 |                        |                     |
| Durable medical equipment                 |        |              |                          |                                 |                        |                     |
| 5. Other property and equipment           |        |              |                          |                                 |                        |                     |
| 6. Total                                  | 25,855 | 0            | 755                      | 25,100                          | 18,825                 | 6,275               |



# **EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)**

REPORT FOR: 1. CORPORATION

Upper Peninsula Health Plan, Inc.

2. \_\_\_\_

|   | OF Minking  |                 |            |                        |                | - A D 0005     | <u></u>  |                         |                       | (LOCA        | TION)                | 0.1               | 50045 |
|---|-------------|-----------------|------------|------------------------|----------------|----------------|--|-------------------------|-----------------------|--------------|----------------------|-------------------|-------|
| NAIC Group Code 0000 BUSINESS IN THE STATE                | OF Michigan | Comprel         | hensive    | <u>_</u>               | DURING THE YE  | :AR 2005       | 1  |                         |                       |              | NAIC Compar          | ny Code           | 52615 |
|   | 1           | (Hospital 8     | k Medical) | 4                      | 5              | 6              | 7  | 8                       | 9                     | 10           | 11                   | 12                | 13    |
|   | Total       | 2<br>Individual | 3<br>Group | Medicare<br>Supplement | Vision<br>Only | Dental<br>Only | Federal<br>Employees<br>Health Benefit<br>Plan | Title XVIII<br>Medicare | Title XIX<br>Medicaid | Stop<br>Loss | Disability<br>Income | Long-Term<br>Care | Other |
| Total Members at end of:                                  |             |                 |            |                        |                |                |  |                         |                       |              |                      |                   |       |
| 1. Prior Year   | 26,025      | 279             |            |                        |                |                |  |                         | 25,746                |              |                      |                   |       |
| 2 First Quarter   | 26,275      | 278             |            |                        |                |                |  |                         | 25,997                |              |                      |                   |       |
| 3 Second Quarter  | 26,218      | 291             |            |                        |                |                |  |                         | 25,927                |              |                      |                   |       |
| 4. Third Quarter  | 25,922      | 292             |            |                        |                |                |  |                         | 25,630                |              |                      |                   |       |
| 5. Current Year   | 25,942      | 296             |            |                        |                |                |  |                         | 25,646                |              |                      |                   |       |
| 6 Current Year Member Months                              | 313,007     | 3,399           |            |                        |                |                |  |                         | 309,608               |              |                      |                   |       |
| Total Member Ambulatory Encounters for Year:              |             |                 |            |                        |                |                |  |                         |                       |              |                      |                   |       |
| 7. Physician  | 255,596     | 1,771           |            |                        |                |                |  |                         | 253,825               |              |                      |                   |       |
| 8. Non-Physician  | 360,641     | 1,938           |            |                        |                |                |  |                         | 358,703               |              |                      |                   |       |
| 9. Total  | 616,237     | 3,709           | 0          | 0                      | 0              | 0              | 0  | 0                       | 612,528               | 0            | 0                    | 0                 | 0     |
| 10. Hospital Patient Days Incurred                        | 6,418       |                 |            |                        |                |                |  |                         | 6,418                 | 0            |                      |                   |       |
| 11. Number of Inpatient Admissions                        | 2,133       |                 |            |                        |                |                |  |                         | 2,133                 |              |                      |                   |       |
| 12. Health Premiums Written                               | 50,017,229  | 267 , 342       |            |                        |                |                |  |                         | 49 , 749 , 887        |              |                      |                   |       |
| 13. Life Premiums Direct                                  | 0           |                 |            |                        |                |                |  |                         |                       |              |                      |                   |       |
| 14. Property/Casualty Premiums Written                    | 0           |                 |            |                        |                |                |  |                         |                       |              |                      |                   |       |
| 15. Health Premiums Earned                                | 48,623,941  | 265 , 187       |            |                        |                |                |  |                         | 48,358,754            |              |                      |                   |       |
| 16. Property/Casualty Premiums Earned                     | 0           |                 |            |                        |                |                |  |                         |                       |              |                      |                   |       |
| 17. Amount Paid for Provision of Health Care Services     | 43,293,246  | 105,314         |            |                        |                |                |  |                         | 43 , 187 , 932        |              |                      |                   |       |
| 18. Amount Incurred for Provision of Health Care Services | 41,918,246  | 226,419         |            |                        |                |                |  |                         | 41,691,827            |              |                      |                   |       |

(a) For health business: number of persons insured under PPO managed care products \_\_\_\_\_and number of persons under indemnity only products \_\_\_\_\_



# **EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)**

REPORT FOR: 1. CORPORATION

Upper Peninsula Health Plan, Inc.

2.

| NAIC Group Code 0000 BUSINESS IN THE STATE C              | F Consolidated |                       |            | 1                      | DURING THE YE  | AR 2005        |  |                         |                       | (LOCA        | ΓΙΟΝ)<br>NAIC Compai | ny Code           | 52615 |
|---|----------------|-----------------------|------------|------------------------|----------------|----------------|--|-------------------------|-----------------------|--------------|----------------------|-------------------|-------|
|   | 1              | Compre<br>(Hospital 8 | & Medical) | 4                      | 5              | 6              | 7  | 8                       | 9                     | 10           | 11                   | 12                | 13    |
|   | Total          | 2<br>Individual       | 3<br>Group | Medicare<br>Supplement | Vision<br>Only | Dental<br>Only | Federal<br>Employees<br>Health Benefit<br>Plan | Title XVIII<br>Medicare | Title XIX<br>Medicaid | Stop<br>Loss | Disability<br>Income | Long-Term<br>Care | Other |
| Total Members at end of:                                  |                |                       |            |                        |                |                |  |                         |                       |              |                      |                   |       |
| 1. Prior Year   | 26,025         | 279                   | 0          | 0                      | 0              | 0              | 0  | 0                       | 25,746                | 0            | 0                    | 0                 |       |
| 2 First Quarter   | 26,275         | 278                   | 0          | 0                      | 0              | 0              | 0  | 0                       | 25,997                | 0            | 0                    | 0                 |       |
| 3 Second Quarter  | 26,218         | 291                   | 0          | 0                      | 0              | 0              | 0  | 0                       | 25,927                | 0            | 0                    | 0                 |       |
| 4. Third Quarter  | 25,922         | 292                   | 0          | 0                      | 0              | 0              | 0  | 0                       | 25,630                | 0            | 0                    | 0                 |       |
| 5. Current Year   | 25,942         | 296                   | 0          | 0                      | 0              | 0              | 0  | 0                       | 25,646                | 0            | 0                    | 0                 |       |
| 6 Current Year Member Months                              | 313,007        | 3,399                 | 0          | 0                      | 0              | 0              | 0  | 0                       | 309,608               | 0            | 0                    | 0                 |       |
| Total Member Ambulatory Encounters for Year:              |                |                       |            |                        |                |                |  |                         |                       |              |                      |                   |       |
| 7. Physician  | 255,596        | 1,771                 | 0          | 0                      | 0              | 0              | 0  | 0                       | 253,825               | 0            | 0                    | 0                 |       |
| 8. Non-Physician  | 360,641        | 1,938                 | 0          | 0                      | 0              | 0              | 0  | 0                       | 358,703               | 0            | 0                    | 0                 |       |
| 9. Total  | 616,237        | 3,709                 | 0          | 0                      | 0              | 0              | 0  | 0                       | 612,528               | 0            | 0                    | 0                 |       |
| 10. Hospital Patient Days Incurred                        | 6,418          | 0                     | 0          | 0                      | 0              | 0              | 0  | 0                       | 6,418                 | 0            | 0                    | 0                 |       |
| 11. Number of Inpatient Admissions                        | 2,133          | 0                     | 0          | 0                      | 0              | 0              | 0  | 0                       | 2,133                 | 0            | 0                    | 0                 |       |
| 12. Health Premiums Written                               | 50,017,229     | 267 , 342             | 0          | 0                      | 0              | 0              | 0  | 0                       | 49 , 749 , 887        | 0            | 0                    | 0                 |       |
| 13. Life Premiums Direct                                  | 0              | 0                     | 0          | 0                      | 0              | 0              | 0  | 0                       | 0                     | 0            | 0                    | 0                 |       |
| 14. Property/Casualty Premiums Written                    | 0              | 0                     | 0          | 0                      | 0              | 0              | 0  | 0                       | 0                     | 0            | 0                    | 0                 |       |
| 15. Health Premiums Earned                                | 48,623,941     | 265 , 187             | 0          | 0                      | 0              | 0              | 0  | 0                       | 48 , 358 , 754        | 0            | 0                    | 0                 |       |
| 16. Property/Casualty Premiums Earned                     | 0              | 0                     | 0          | 0                      | 0              | 0              | 0  | 0                       | 0                     | 0            | 0                    | 0                 |       |
| 17. Amount Paid for Provision of Health Care Services     | 43,293,246     | 105,314               | 0          | 0                      | 0              | 0              | 0  | 0                       | 43 , 187 , 932        | 0            | 0                    | 0                 |       |
| 18. Amount Incurred for Provision of Health Care Services | 41,918,246     | 226,419               | 0          | 0                      | 0              | 0              | 0  | 0                       | 41,691,827            | 0            | 0                    | 0                 |       |

<sup>(</sup>a) For health business: number of persons insured under PPO managed care products 0\_\_\_\_\_and number of persons under indemnity only products \_\_\_\_\_0

#### **SCHEDULE A - VERIFICATION BETWEEN YEARS**

Real Estate

| 1.  | Book/adjusted carrying value, December 31, prior year  | 0 |
|-----|--|---|
| 2.  | Increase (decrease) by adjustment:   |   |
|     | 2.1 Totals, Part 1, Column 11  | 0 |
|     | 2.2 Totals, Part 3, Column 7   | 0 |
| 3.  | Cost of acquired, (Totals, Part 2, Column 6, net of encumb ances Column 4) dit permanent improvements (Column 9) | 0 |
| 4.  | Cost of additions and permanent improvements:  |   |
|     | 4.1 Totals, Part 1, Column 14  | 0 |
|     | 4.2 Totals, Part 3, Column 9   | 0 |
| 5.  | Total profit (loss) on sales, Part 3, Column 14  | 0 |
| 6.  | Increase (decrease) by foreign exchange adjustment:  |   |
|     | 6.1 Totals, Part 1, Column 12  | 0 |
|     | 6.2 Totals, Part 3, Column 8   | 0 |
| 7.  | Amounts received on sales, Part 3, Column 11 and Part 1, Column 13   | 0 |
|     | Book/adjusted carrying value at end of current period  | 0 |
| 9.  | Total valuation allowance  |   |
|     | Subtotal (Lines 8 plus 9)  | 0 |
| 11. | Total nonadmitted amounts  |   |
| 12. | Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)                          | 0 |

#### **SCHEDULE B - VERIFICATION BETWEEN YEARS**

Mortgage Loans

| 1.  | Book value/recorded investment excluding accrued interes at montage and the control of the contr |
|-----|--|
| 2.  | Amount loaned during year:   |
|     | 2.1 Actual cost at time of acquisitions  |
|     | 2.2 Additional investment made after acquisitions0   |
| 3.  | Accrual of discount and mortgage interest points and commitment fees   |
| 4.  | Increase (decrease) by adjustment  |
|     | Total profit (loss) on sale  |
| 6.  | Amounts paid on account or in full during the year   |
|     | Amortization of premium  |
| 8.  | Increase (decrease) by foreign exchange adjustment   |
| 9.  | Book value/recorded investment excluding accrued interest on mortgages owned at end of current period  |
| 10. | Total valuation allowance  |
| 11. | Subtotal (Lines 9 plus 10)   |
| 12. | Total nonadmitted amounts  |
| 13. | Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)   |

#### **SCHEDULE BA - VERIFICATION BETWEEN YEARS**

Long-Term Invested Assets

| 1.  | Book/adjusted carrying value of long-term invested assets and December 1 of the State Control |
|-----|--|
| 2.  | Cost of acquisitions during year:  |
|     | 2.1 Actual cost at time of acquisitions  |
|     | 2.2 Additional investment made after acquisitions  |
| 3.  | Accrual of discount  |
| 4.  | Increase (decrease) by adjustment  |
| 5.  | Total profit (loss) on sale  |
| 6.  | Amounts paid on account or in full during the year   |
|     | Amortization of premium  |
| 8.  | Increase (decrease) by foreign exchange adjustment   |
| 9.  | Book/adjusted carrying value of long-term invested assets at end of current period   |
| 10. | Total valuation allowance  |
| 11. | Subtotal (Lines 9 plus 10)   |
| 12. | Total nonadmitted amounts  |
| 13. | Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).  |

5.4 Class 4

5.5 Class 5.

5.6 Class 6.

5.7 Totals

#### ANNUAL STATEMENT FOR THE YEAR 2005 OF THE Upper Peninsula Health Plan, Inc.

#### SCHEDULE D - PART 1A - SECTION 1

|   |                                   | Quality and Maturi                  |                                       | onds Owned December                    |                    | ed Carrying Values by M | lajor Types of Issues a            | and NAIC Designations                |                                  | 1                              |                                    |
|---|-----------------------------------|-------------------------------------|---------------------------------------|--|--------------------|-------------------------|------------------------------------|--------------------------------------|----------------------------------|--------------------------------|------------------------------------|
| Quality Rating per the NAIC Designation | 1<br>1 Year or Less               | 2<br>Over 1 Year Through<br>5 Years | 3<br>Over 5 Years Through<br>10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6 Total Current Year    | 7<br>Col. 6 as a<br>% of Line 10.7 | 8<br>Total from Col. 6<br>Prior Year | 9<br>% From Col. 7<br>Prior Year | 10<br>Total Publicly<br>Traded | 11<br>Total Privately Place<br>(a) |
| 1. U.S. Governments, Schedules D &      |                                   | 3 Teals                             | 10 16413                              | Tillough 20 Tears                      | Over 20 Tears      | Total Current Teal      | 70 OI LINE 10.7                    | THOI TEAT                            | 1 Hor real                       | Haded                          | (a)                                |
| 1.1 Class 1                             | 1,667,950                         | 3,500,000                           |                                       |  |                    | 5 , 167 , 950           | 100.0                              | 1,006,067                            | 100.0                            | 5 , 167 , 950                  |                                    |
| 1.2 Class 2                             | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |                                     |                                       |  |                    | 0, 107,000              | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 1.3 Class 3                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 1.4 Class 4                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 1.5 Class 5                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 1.6 Class 6                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 1.7 Totals                              | 1,667,950                         | 3,500,000                           | 0                                     | 0                                      | 0                  | 5,167,950               | 100.0                              | 1,006,067                            | 100.0                            | 5,167,950                      |                                    |
| 2. All Other Governments, Schedules     |                                   | 1,111,111                           | -                                     | -                                      | -                  | 1, 1, 1, 1, 1, 1        |                                    | , , , , , , ,                        |                                  | 1, 1, 1, 1, 1                  |                                    |
| 2.1 Class 1                             | (                                 |                                     |                                       |  | 1                  | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 2.2 Class 2                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 2.3 Class 3                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 2.4 Class 4                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 2.5 Class 5                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 2.6 Class 6                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 2.7 Totals                              | 0                                 | 0                                   | 0                                     | 0                                      | 0                  | 0                       | 0.0                                | 0                                    | 0.0                              | 0                              | (                                  |
| 3. States, Territories and Possession   | s etc., Guaranteed, Sc            | hedules D & DA (Grou                | ıp 3)                                 |  |                    |                         |                                    |                                      |                                  |                                |                                    |
| 3.1 Class 1                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 3.2 Class 2                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 3.3 Class 3                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 3.4 Class 4                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 3.5 Class 5                             |                                   |                                     |                                       |  |                    |                         | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 3.6 Class 6                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 3.7 Totals                              | 0                                 | 0                                   | 0                                     | 0                                      | 0                  | 0                       | 0.0                                | 0                                    | 0.0                              | 0                              | (                                  |
| 4. Political Subdivisions of States, Te | rritories and Possess             | ions, Guaranteed, Sch               | edules D & DA (Group                  | 4)                                     |                    |                         |                                    |                                      |                                  |                                |                                    |
| 4.1 Class 1                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 4.2 Class 2                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 4.3 Class 3                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 4.4 Class 4                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 4.5 Class 5                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 4.6 Class 6                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 4.7 Totals                              | 0                                 | U                                   | 0                                     | 0                                      | 0                  | 0                       | 0.0                                | 0                                    | 0.0                              | 0                              |                                    |
| 5. Special Revenue & Special Assess     | ment Obligations etc.             | , Non-Guaranteed, Sch               | nedules D & DA (Group                 | 5)                                     |                    |                         |                                    |                                      |                                  |                                |                                    |
| 5.1 Class 1                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 5.2 Class 2                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| 5.3 Class 3                             |                                   |                                     |                                       |  |                    | 0                       | 0.0                                | 0                                    | 0.0                              |                                |                                    |
| F 4                                     | ī .                               | 1                                   | i e                                   |  | 1                  | ^                       | 0.0                                | ^                                    | 0.0                              |                                | 1                                  |

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#### SCHEDULE D - PART 1A - SECTION 1 (continued)

| 1  |   |                       | Quality and Maturi | ity Distribution of All B | onds Owned December | er 31, at Book/Adjuste | d Carrying Values by I | Najor Types of Issues | and NAIC Designations | S          |        |     |
|--|---|-----------------------|--------------------|---------------------------|---------------------|------------------------|------------------------|-----------------------|-----------------------|------------|--------|-----|
| Quality Refine FANCE Designation   1 Years   5 Years   1 Years |   | 1                     | 2                  | 3                         | 4                   | 5                      | 6                      | 7                     | 8                     |            |        |     |
| 6. Class 1   |   |                       |                    |                           |                     |                        |                        |                       |                       |            |        |     |
| 6.1 Class 1  |   |                       |                    | 10 Years                  | Through 20 Years    | Over 20 Years          | Total Current Year     | % of Line 10.7        | Prior Year            | Prior Year | Traded | (a) |
| 6.2 Class 2  |   | dules D & DA (Group   | 6)                 |                           |                     |                        |                        |                       |                       |            |        |     |
| 6.3 Class 3  |   |                       |                    |                           |                     |                        | 0                      |                       | 0                     |            |        |     |
| 6.4 Class 4  | 6.2 Class 2                             |                       |                    |                           |                     |                        | 0                      |                       | 0                     |            |        |     |
| 6.6 Class 5 6 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0  | 6.3 Class 3                             |                       |                    |                           |                     |                        | 0                      |                       | 0                     |            |        |     |
| 6.6 Class 6  |   |                       |                    |                           |                     |                        | 0                      |                       | 0                     |            |        |     |
| 6.7 Totals   |   |                       |                    |                           |                     |                        | 0                      |                       | 0                     |            |        |     |
| 7. Inclustrial & Miscellaneous (Unaffillated), Schedules D & DA (Group 7)   7.1 Class 1  | 6.6 Class 6                             |                       |                    |                           |                     |                        | 0                      | 0.0                   | 0                     | 0.0        |        |     |
| 7.1 Class 1  | 6.7 Totals                              | 0                     | 0                  | 0                         | 0                   | 0                      | 0                      | 0.0                   | 0                     | 0.0        | 0      | (   |
| 7.2 Class 2  | 7. Industrial & Miscellaneous (Unaffili | iated), Schedules D & | DA (Group 7)       | -                         |                     |                        |                        |                       |                       |            |        |     |
| 7.2 Class 2  | 7.1 Class 1                             |                       |                    |                           |                     |                        | 0                      | 0.0                   | 0                     | 0.0        |        |     |
| 7.4 Class 4  |   |                       |                    |                           |                     |                        | 0                      | 0.0                   | 0                     |            |        |     |
| 7.4 Class 4  | 7.3 Class 3                             |                       |                    |                           |                     |                        | 0                      | 0.0                   | 0                     | 0.0        |        |     |
| 7.5 Class 5.   | 7.4 Class 4                             |                       |                    |                           |                     |                        | 0                      | 0.0                   | 0                     | 0.0        |        |     |
| 7.7 Totals   | 7.5 Class 5                             |                       |                    |                           |                     |                        | 0                      | 0.0                   | 0                     |            |        |     |
| 7.7 Totals   | 7.6 Class 6                             |                       |                    |                           |                     |                        | 0                      | 0.0                   | 0                     | 0.0        |        |     |
| 8.1 Class 1  |   | 0                     | 0                  | 0                         | 0                   | 0                      | 0                      | 0.0                   | 0                     | 0.0        | 0      | (   |
| 8.1 Class 1  |   | & DA (Group 8)        |                    |                           |                     |                        |                        |                       |                       |            |        |     |
| 8.2 Class 2 8.3 Class 3 8.4 Class 4 8.5 Class 5 8.6 Class 6 8.7 Totals 9.9 Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9) 9.1 Class 1 9.2 Class 2 9.3 Class 3 9.5 Class 6 9.7 Class 1 9.6 Class 6 9.7 Class 1 9.7 Class 1 9.8 Class 6 9.9 Class 2 9.0 Class 2 9.0 Class 3 9.0 Class 6   |   | 1                     |                    |                           |                     |                        | 0                      | 0.0                   | 0                     | 0.0        |        |     |
| 8.3 Class 3  |   |                       |                    |                           |                     |                        | 0                      | 0.0                   | 0                     |            |        |     |
| 8.4 Class 4  |   |                       |                    |                           |                     |                        | 0                      |                       | 0                     |            |        |     |
| 8.5 Class 5  |   |                       |                    |                           |                     |                        | 0                      |                       | 0                     |            |        |     |
| 8.6 Class 6  |   |                       |                    |                           |                     |                        | 0                      |                       | 0                     |            |        |     |
| 8.7 Totals 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0   |   |                       |                    |                           |                     |                        | 0                      |                       | 0                     |            |        |     |
| 9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)  9.1 Class 1  |   | 0                     | 0                  | 0                         | 0                   | 0                      | 0                      |                       | 0                     |            | 0      | (   |
| 9.1 Class 1  |   | Schedules D & DA (C   | Group 9)           | V                         | · ·                 |                        |                        | 0.10                  | · ·                   | 0.10       | v      |     |
| 9.2 Class 2  |   |                       |                    |                           |                     |                        | 0                      | 0.0                   | 0                     | 0.0        |        |     |
| 9.3 Class 3  |   |                       |                    |                           |                     | •                      | 0                      |                       | 0                     |            |        |     |
| 9.4 Class 4  |   |                       |                    |                           |                     |                        | n                      |                       | n                     |            |        |     |
| 9.5 Class 5  |   |                       |                    |                           |                     |                        | 0                      |                       | 0                     |            |        |     |
| 9.6 Class 6 0 0.0 0.0 0.0  |   |                       |                    |                           |                     |                        | 0                      |                       | 0                     |            |        |     |
|  |   |                       |                    |                           |                     |                        | 0                      |                       | 0                     |            |        |     |
|  | 9.7 Totals                              | 0                     | 0                  | 0                         | 0                   | 0                      | 0                      | 0.0                   | 0                     | 0.0        | 0      |     |

#### SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations 10 Over 1 Year Through Total from Col. 6 Total Publicly Total Privately Placed Over 5 Years Through Over 10 Years Col. 6 as a % From Col. 7 Quality Rating per the NAIC Designation Through 20 Years Over 20 Years % of Line 10.7 1 Year or Less 5 Years 10 Years **Total Current Year** Prior Year Prior Year Traded (a) 10. Total Bonds Current Year 10.1 Class 1 .1,667,950 .3,500,000 ..5, 167, 950 100.0 XXX XXX ..5, 167, 950 .XXX. 10.2 Class 2 ..0.0 XXX. ..0.0 .XXX. XXX. 10.3 Class 3 .XXX. 10.4 Class 4 0.0. XXX. XXX 10.5 Class 5 0.0 XXX 0.0 XXX XXX 10.6 Class 6 0 10.7 Totals 1.667.950 .3,500,000 .5, 167, 950 100.0 XXX XXX 5.167.950 10.8 Line 10.7 as a % of Col. 6 32.3 67.7 0.0 0.0 0.0 100.0 XXX XXX XXX 100.0 0.0 11. Total Bonds Prior Year XXX 1.006.067 100.0 1.006.067 11.1 Class 1 XXX XXX 11.2 Class 2 0 0 11.3 Class 3 XXX XXX 0.0 11.4 Class 4 XXX XXX 0.0 11.5 Class 5 XXX XXX 0.0 11.6 Class 6 0 XXX XXX 0.0 .25,145 .XXX. .XXX. 11.7 Totals .980,922 ...0 ..1,006,067 .100.0 ..1,006,067 11.8 Line 11.7 as a % of Col. 8 97.5 0.0 0.0 0.0 XXX XXX 100.0 XXX 100.0 0.0 12. Total Publicly Traded Bonds ..5.167.950 .5.167.950 12.1 Class 1 1.667.950 3.500.000 100.0 .1,006,067 .100.0 XXX 12.2 Class 2 0 0 0.0 XXX 0.0 XXX 12.3 Class 3 0.0 0.0 XXX 12.4 Class 4 0.0 XXX 12.5 Class 5 0.0 XXX 12.6 Class 6 0.0 0.0 12.7 Totals 100.0 .3,500,000 5,167,950 .1,006,067 XXX 12.8 Line 12.7 as a % of Col. 6 32.3 67.7 0.0 0.0 0.0 100.0 XXX XXX XXX 100.0 XXX 12.9 Line 12.7 as a % of Line 10.7, 32.3 67.7 0.0 0.0 0.0 100.0 XXX XXX 100.0 XXX Col. 6, Section 10 13. Total Privately Placed Bonds XXX 13.1 Class 1 13.2 Class 2 0.0 0.0 XXX 13.3 Class 3 0.0 0.0 XXX 13.4 Class 4 0.0 0.0 XXX XXX 13.5 Class 5 0.0 0.0 XXX 13.6 Class 6 0.0 0 0 13.7 Totals 0.0 0.0 XXX 13.8 Line 13.7 as a % of Col. 6 0.0 0.0 ..0.0 0.0 0.0 0.0 XXX. XXX XXX XXX. .0.0 13.9 Line 13.7 as a % of Line 10.7. 0.0 0.0 0.0 0.0 0.0 XXX XXX XXX XXX 0.0 Col. 6. Section 10

<sup>(</sup>a) Includes \$ freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

#### **SCHEDULE D - PART 1A - SECTION 2**

| Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues |                       |                               |   |                                  |                 |                      |                    |                                     |                                  |                                |                                 |  |  |
|--|-----------------------|-------------------------------|---|----------------------------------|-----------------|----------------------|--------------------|-------------------------------------|----------------------------------|--------------------------------|---------------------------------|--|--|
| Distribution by Type   | 1 Year or Less        | 2 Over 1 Year Through 5 Years | 3 Over 5 Years Through 10 Years         | 4 Over 10 Years Through 20 Years | 5 Over 20 Years | 6 Total Current Year | 7<br>Col. 6 as a % | 8<br>Total from Col 6<br>Prior Year | 9<br>% From Col. 7<br>Prior Year | 10<br>Total Publicly<br>Traded | 11<br>Total Privately<br>Placed |  |  |
| 1. U.S. Governments, Schedules D & DA (Group 1)  |                       |                               |   |                                  |                 |                      |                    |                                     |                                  |                                |                                 |  |  |
| 1.1 Issuer Obligations   | 1,667,950             | 3,500,000                     |   |                                  |                 | 5 , 167 , 950        | 100.0              | 1,006,067                           | 100.0                            | 5 , 167 , 950                  |                                 |  |  |
| 1.2 Single Class Mortgage-Backed/Asset-Backed Securities   |                       |                               |   |                                  |                 | 0                    | 0.0                | 0                                   | 0.0                              | , ,                            |                                 |  |  |
| 1.7 Totals   | 1,667,950             | 3,500,000                     | 0                                       | 0                                | 0               | 5,167,950            | 100.0              | 1,006,067                           | 100.0                            | 5,167,950                      | 1                               |  |  |
| 2. All Other Governments. Schedules D & DA (Group 2)   | .,00.,000             | 0,000,000                     | ·                                       | Ů                                | •               | 0,101,000            | 10010              | 1,000,001                           | 10010                            | 0,101,000                      |                                 |  |  |
| 2.1 Issuer Obligations   |                       |                               |   | 1                                |                 | 0                    | 0.0                | 0                                   | 0.0                              |                                |                                 |  |  |
| 2.2 Single Class Mortgage-Backed/Asset-Backed Securities   |                       |                               |   |                                  |                 | 0                    | 0.0                | 0                                   | 0.0                              |                                |                                 |  |  |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES 2.3 Defined   |                       |                               |   |                                  |                 | 0                    | 0.0                | 0                                   | 0.0                              |                                |                                 |  |  |
| 2.4 Other  |                       |                               |   |                                  |                 | 0                    | 0.0                | 0                                   | 0.0                              |                                |                                 |  |  |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-<br>BACKED SECURITIES<br>2.5 Defined  |                       |                               |   |                                  |                 | 0                    | 0.0                | 0                                   | 0.0                              |                                |                                 |  |  |
|  |                       |                               | • | •                                |                 | 0                    | 0.0                | u                                   | 0.0                              |                                |                                 |  |  |
| 2.6 Other  | ^                     | ^                             | ^                                       | 0                                | ^               | 0                    |                    | 0                                   |                                  | ^                              |                                 |  |  |
| 2.7 Totals   | U                     | 0                             | U                                       | U                                | U               | U                    | 0.0                | U                                   | 0.0                              | U                              |                                 |  |  |
| 3. States, Territories, and Possessions Guaranteed, Schedules D & DA (Group 3)   |                       | 1                             | 1                                       | 4                                |                 | 0                    | 0.0                | 0                                   | 0.0                              |                                |                                 |  |  |
| S.1 Issuer Obligations   |                       |                               |   |                                  |                 | 0                    | 0.0                | 0                                   | 0.0                              |                                |                                 |  |  |
| 3.3 Defined  |                       |                               |   |                                  |                 | 0                    | 0.0<br>0.0         | 0<br>0                              | 0.0<br>0.0                       |                                |                                 |  |  |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-<br>BACKED SECURITIES   |                       |                               |   |                                  |                 |                      |                    |                                     | 0.0                              |                                |                                 |  |  |
| 3.5 Defined  |                       |                               |   | <b>+</b>                         |                 | 0<br>0               | 0.0                | 0                                   | 0.0<br>0.0                       |                                |                                 |  |  |
| 3.6 Other  | ^                     |                               | ^                                       | ^                                | ^               | V                    |                    | 0                                   |                                  | ^                              |                                 |  |  |
| 3.7 Totals   | Ü                     | 0                             | U                                       | 0                                | 0               | 0                    | 0.0                | 0                                   | 0.0                              | 0                              |                                 |  |  |
| 4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Sched  | ules D & DA (Group 4) | ı                             |   | 4                                |                 | _                    | 0.0                | 0                                   | 0.0                              |                                |                                 |  |  |
| 4.1 Issuer Obligations   |                       |                               |   | <b>†</b>                         |                 | J                    |                    | U                                   | 0.0                              |                                |                                 |  |  |
| 4.2 Single Class Mortgage-Backed/Asset-Backed Securities  MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES  4.3 Defined  |                       |                               |   |                                  |                 | 0                    | 0.0                | ν                                   | 0.0                              |                                |                                 |  |  |
| 4.4 Other  |                       |                               | • |                                  |                 | n                    | 0.0                | <br>N                               | 0.0                              |                                |                                 |  |  |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-<br>BACKED SECURITIES   |                       |                               |   |                                  |                 |                      |                    |                                     |                                  |                                |                                 |  |  |
| 4.5 Defined  |                       |                               |   |                                  |                 | 0                    | 0.0                | 0                                   | 0.0                              |                                |                                 |  |  |
| 4.6 Other  |                       |                               |   |                                  |                 | 0                    | 0.0                | 0                                   | 0.0                              |                                |                                 |  |  |
| 4.7 Totals   | 0                     | 0                             | 0                                       | 0                                | 0               | 0                    | 0.0                | 0                                   | 0.0                              | 0                              |                                 |  |  |
| 5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Sched 5.1 Issuer Obligations                     | ules D & DA (Group 5) |                               |   |                                  |                 | 0                    | 0.0                | 0                                   | 0.0                              |                                |                                 |  |  |
| 5.2 Single Class Mortgage-Backed/Asset-Backed Securities   |                       | •                             |   |                                  |                 | 0                    | 0.0                | 0                                   | 0.0                              |                                |                                 |  |  |
| 5.3 Defined  |                       |                               |   |                                  |                 | 0                    | 0.0                | 0<br>0                              | 0.0<br>0                         |                                |                                 |  |  |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-<br>BACKED SECURITIES   |                       |                               |   |                                  |                 | 0                    | 0.0                | 0                                   | 0.0                              |                                |                                 |  |  |
| 5.5 Defined  |                       |                               |   | <del> </del>                     |                 | J                    | 0.0                | U                                   | 0.0<br>0.0                       |                                |                                 |  |  |
| 5.6 Other  | ^                     | _                             | ^                                       | ^                                | ^               | Û                    |                    | 0                                   |                                  | ^                              |                                 |  |  |
| 5.7 Totals   | 0                     | 0                             | 0                                       | 0                                | 0               | 0                    | 0.0                | 0                                   | 0.0                              | 0                              |                                 |  |  |

### SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues 10 Over 5 Years Over 10 Years Col. 6 as a Total from Col. 6 Total Publicly Total Privately Over 1 Year Through % From Col. 7 Through 10 Years Through 20 Years % of Line 10.7 Prior Year Over 20 Years **Total Current Year** Prior Year Placed Distribution by Type 1 Year or Less 5 Years Traded 6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6) 0.0... .0.0 6.1 Issuer Obligations . 6.2 Single Class Mortgage-Backed/Asset-Based ...0.0 .0.0 MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES 6.3 Defined ...0.0 .0.0 ..0.0 .0.0 6.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES 6.5 Defined 0.0 6.6 Other 0.0 0.0 6.7 Totals 0 0.0 0.0 7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7) .0.0 7.1 Issuer Obligations

| 7.1 ISSUEI Obligations   |              |   |   |   |   |   |     |   |     |          | • |
|--|--------------|---|---|---|---|---|-----|---|-----|----------|---|
| 7.2 Single Class Mortgage-Backed/Asset-Based Securities            |              |   |   |   |   | 0 | 0.0 | 0 | 0.0 |          |   |
| MULTI-CLASS RESIDENTIAL MORTGAGE-<br>BACKED SECURITIES             |              |   |   |   |   |   |     |   |     |          |   |
| 7.3 Defined  |              |   |   |   |   | 0 | 0.0 | 0 | 0.0 |          |   |
| 7.4 Other  |              |   |   |   |   | 0 | 0.0 | 0 | 0.0 |          |   |
| MULTI-CLASS COMMERCIAL MORTGAGE-<br>BACKED/ASSET-BACKED SECURITIES |              |   |   |   |   |   |     |   |     |          |   |
| 7.5 Defined  |              |   |   |   |   | 0 | 0.0 | 0 | 0.0 |          |   |
| 7.6 Other  |              |   |   |   |   | 0 | 0.0 | 0 | 0.0 |          |   |
| 7.7 Totals   | 0            | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | 0.0 | 0        |   |
| Credit Tenant Loans, Schedules D & DA (Group 8)                    |              |   |   |   |   |   |     |   |     |          |   |
| 8.1 Issuer Obligations   |              |   |   |   |   | 0 | 0.0 | 0 | 0.0 |          |   |
| 8.7 Totals   | 0            | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | 0.0 | 0        |   |
| Parents, Subsidiaries and Affiliates, Schedules D &                | DA (Group 9) |   |   |   |   |   |     |   |     |          |   |
| 9.1 Issuer Obligations   |              |   |   |   |   | 0 | 0.0 | 0 | 0.0 |          |   |
| 9.2 Single Class Mortgage-Backed/Asset-Based Securities            |              |   |   |   |   | 0 | 0.0 | 0 | 0.0 |          |   |
| MULTI-CLASS RESIDENTIAL MORTGAGE-<br>BACKED SECURITIES             |              |   |   |   |   |   |     |   |     |          |   |
| 9.3 Defined  |              |   |   |   |   | 0 | 0.0 | 0 | 0.0 |          |   |
| 9.4 Other  |              |   |   |   |   | 0 | 0.0 | 0 | 0.0 |          |   |
| MULTI-CLASS COMMERCIAL MORTGAGE-<br>BACKED/ASSET-BACKED SECURITIES |              |   |   |   |   |   |     |   |     |          |   |
| 9.5 Defined  |              |   |   |   |   | 0 | 0.0 | 0 | 0.0 |          |   |
| 9.6 Other  |              |   |   |   |   | 0 | 0.0 | 0 | 0.0 | <u> </u> |   |
| 9.7 Totals   | 0            | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | 0.0 | 0        |   |

#### SCHEDULE D - PART 1A - SECTION 2 (continued)

| Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues |                    |             |                    |                   |                     |                  |               |                   |               |                |                 |  |
|--|--------------------|-------------|--------------------|-------------------|---------------------|------------------|---------------|-------------------|---------------|----------------|-----------------|--|
| maturity distric   | oution of All Bond | 2           | Der 31, at BOOK/AD | usted Carrying Va | Silves by Major Typ | 6 and Subtype of | r issues<br>7 | 8                 | a             | 10             | 11              |  |
|  | '                  | Over 1 Year | Over 5 Years       | Over 10 Years     | J                   | Total            | Col. 6 as a % | Total From Col. 6 | % From Col. 7 | Total Publicly | Total Privately |  |
| Distribution by Type   | 1 Year or Less     |             | Through 10 Years   |                   | Over 20 Years       | Current Year     | of Line 10.7  | Prior Year        | Prior Year    | Traded         | Placed          |  |
| 10. Total Bonds Current Year   |                    | Ĭ           | Ĭ                  |                   |                     |                  |               |                   |               |                |                 |  |
| 10.1 Issuer Obligations  | 1,667,950          | 3,500,000   | 0                  | 0                 | 0                   | 5 , 167 , 950    | 100.0         | XXX               | XXX           | 5 , 167 , 950  | 0               |  |
| 10.2 Single Class Mortgage-Backed/Asset-Backed Securities  | 0                  | 0           | 0                  | 0                 | 0                   | 0                | 0.0           | XXX               | ХХХ           | 0              | 0               |  |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES   |                    |             |                    |                   |                     |                  |               |                   |               |                |                 |  |
| 10.3 Defined   | 0                  | 0           | 0                  | 0                 | 0                   | 0                | 0.0           | XXX               | XXX           | 0              | ٥               |  |
| 10.4 Other   | 0                  | 0           | ٥0                 | 0                 | 0                   | 0                | 0.0           | XXX               | XXX           | 0              | 0               |  |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES   |                    |             |                    |                   |                     |                  |               |                   |               |                |                 |  |
| 10.5 Defined   | 0                  | 0           | 0                  | 0                 | 0                   | 0                | 0.0           | XXX               | XXX           | 0              | 0               |  |
| 10.6 Other   | 0                  | 0           | 0                  | 0                 | 0                   | 0                | 0.0           | XXX               | XXX           | 0              | 0               |  |
| 10.7 Totals  | 1,667,950          | 3,500,000   | 0                  | 0                 | 0                   | 5, 167, 950      | 100.0         | XXX               | XXX           | 5 , 167 , 950  | 0               |  |
| 10.8 Line 10.7 as a % of Col. 6  | 32.3               | 67.7        | 0.0                | 0.0               | 0.0                 | 100.0            | XXX           | XXX               | XXX           | 100.0          | 0.0             |  |
| 11. Total Bonds Prior Year   |                    |             |                    |                   |                     |                  |               |                   |               |                |                 |  |
| 11.1 Issuer Obligations  | 980,922            | 25,145      | ō                  | 0                 | Q                   | XXX              | XXX           | 1,006,067         | 100.0         | 1,006,067      | 0               |  |
| 11.2 Single Class Mortgage-Backed/Asset-Backed Securities  | 0                  | 0           | 0                  | 0                 | 0                   | XXX              | XXX           | 0                 | 0.0           | 0              | 0               |  |
| 11.3 Defined   | 0                  | 0           | 0                  | 0                 | 0                   | XXX              | XXX           | 0                 | 0.0           | 0              | 0               |  |
| 11.4 Other   | 0                  | 0           | 0                  | 0                 | 0                   | XXX              | XXX           | 0                 | 0.0           | 0              | 0               |  |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES 11.5 Defined  | 0                  | 0           | 0                  | 0                 | 0                   | XXX              | XXX           | 0                 | 0.0           | 0              | 0               |  |
| 11.6 Other   | 0                  | 0           | 0                  | 0                 | 0                   | XXX              | XXX           | 0                 | 0.0           | 0              | 0               |  |
| 11.7 Totals  | 980.922            | 25.145      | 0                  | 0                 | 0                   | XXX              | XXX           | 1.006.067         | 100.0         | 1.006.067      | 0               |  |
| 11.8 Line 11.7 as a % of Col. 8  | 97.5               | 2.5         | 0.0                | 0.0               | 0.0                 | XXX              | XXX           | 100.0             | XXX           | 100.0          | 0.0             |  |
| 12. Total Publicly Traded Bonds  |                    |             |                    |                   |                     |                  |               |                   |               |                |                 |  |
| 12.1 Issuer Obligations  | 1,667,950          | 3,500,000   |                    |                   |                     | 5 . 167 . 950    | 100.0         | 1.006.067         | 100.0         | 5 , 167 , 950  | XXX             |  |
| 12.2 Single Class Mortgage-Backed/Asset-Backed Securities  |                    |             |                    |                   |                     | 0                | 0.0           | 0                 | 0.0           | 0              | XXX             |  |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES   |                    |             |                    |                   |                     |                  |               |                   |               |                |                 |  |
| 12.3 Defined   |                    |             |                    |                   |                     | 0                | 0.0           | 0                 | 0.0           | 0              | XXX             |  |
| 12.4 Other   |                    |             |                    |                   |                     | 0                | 0.0           | 0                 | 0.0           | 0              | XXX             |  |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES   |                    |             |                    |                   |                     |                  |               |                   |               |                |                 |  |
| 12.5 Defined   |                    |             |                    |                   |                     | 0                | 0.0           | 0                 | 0.0           | 0              | XXX             |  |
| 12.6 Other   |                    |             |                    |                   |                     | 0                | 0.0           | 0                 | 0.0           | 0              | XXX             |  |
| 12.7 Totals  | 1,667,950          | 3,500,000   | 0                  | 0                 | 0                   | 5,167,950        | 100.0         | 1,006,067         | 100.0         | 5,167,950      | XXX             |  |
| 12.8 Line 12.7 as a % of Col. 6  | 32.3               | 67.7        | 0.0                | 0.0               | 0.0                 | 100.0            | XXX           | XXX               | XXX           | 100.0          | XXX             |  |
| 12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10   | 32.3               | 67.7        | 0.0                | 0.0               | 0.0                 | 100.0            | XXX           | XXX               | XXX           | 100.0          | XXX             |  |
| 13. Total Privately Placed Bonds   |                    |             |                    |                   |                     |                  | 0.0           |                   |               | VVV            |                 |  |
| 13.1 Issuer Obligations  |                    | <b>-</b>    |                    |                   |                     | 0                | 0.0           |                   | 0.0           | XXX            | 0               |  |
| 13.2 Single Class Mortgage-Backed/Asset-Backed Securities  |                    |             |                    |                   |                     | 0                | 0.0           | 0                 | 0.0           | XXX            | 0               |  |
|  |                    |             |                    |                   |                     | 0                | 0.0           | 0                 | 0.0           | XXX            | 0               |  |
| 13.3 Defined   |                    |             | •                  |                   |                     |                  | 0.0           | J                 | 0.0           | XXX            | U               |  |
| 13.4 Other   |                    |             |                    |                   |                     |                  |               | l                 |               | ΛΛΛ            | 0               |  |
|  |                    |             |                    |                   |                     | n                | 0.0           | n                 | 0.0           | XXX            | n               |  |
| 13.5 Defined   |                    | İ           | 1                  |                   |                     | <br>N            | 0.0           | n                 | 0.0           | XXX            | <br>N           |  |
| 13.7 Totals  | Λ                  | Λ           | n                  | Λ                 | Λ                   | 0                | 0.0           | 0                 | 0.0           | XXX            | 0               |  |
| 13.8 Line 13.7 as a % of Col. 6  | 0.0                | 0.0         | 0.0                | 0.0               | 0.0                 | 0.0              | XXX.          | XXX               | XXX           | XXX            | 0.0             |  |
| 13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10   | 0.0                | 0.0         | 0.0                | 0.0               | 0.0                 | 0.0              | XXX           | XXX               | XXX           | XXX            | 0.0             |  |
| 10.0 Line 10.7 d3 d 70 of Line 10.7, Ool. 0, deciloff 10   | 0.0                | 0.0         | 0.0                | 0.0               | 0.0                 | 0.0              | ////          | AAA               | ////          | 7///           | 0.0             |  |

#### **SCHEDULE DA - PART 2 - VERIFICATION BETWEEN YEARS**

|   | Short-Term Investments |       |                |  |   |
|---|------------------------|-------|----------------|--|---|
|   | 1                      | 2     | 3              | 4  | 5   |
|   | Total                  | Bonds | Mortgage Loans | Other Short-term<br>Investment Assets(a) | Investments in Parent,<br>Subsidiaries and Affiliates |
| Book/adjusted carrying value, prior year                        |                        | 0     | 0              | 980,922                                  |   |
| Cost of short-term investments acquired                         | 1,534,319              |       |                | 1,534,319                                |   |
| 3. Increase (decrease) by adjustment                            | 0                      |       |                |  |   |
| Increase (decrease) by foreign exchange adjustment              | 0                      |       |                |  |   |
| 5. Total profit (loss) on disposal of short-term investments    | 0                      |       |                |  |   |
| 6. Consideration received on disposal of short-term investments | 1,000,357              |       |                | 1,000,357                                |   |
| 7. Book/adjusted carrying value, current year                   | 1,514,884              | 0     | 0              | 1,514,884                                |   |
| 8. Total valuation allowance                                    | 0                      |       |                |  |   |
| 9. Subtotal (Lines 7 plus 8)                                    | 1,514,884              | 0     | 0              | 1,514,884                                |   |
| 10. Total nonadmitted amounts                                   | 0                      |       |                |  |   |
| 11. Statement value (Lines 9 minus 10)                          | 1,514,884              | 0     | 0              | 1,514,884                                |   |
| 12. Income collected during year                                |                        |       |                | 28,466                                   |   |
| 13. Income earned during year                                   | 44,322                 |       |                | 44,322                                   |   |

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

Schedule DB - Part A - VBY

NONE

Schedule DB - Part B - VBY NONE

Schedule DB - Part C - VBY NONE

Schedule DB - Part D - VBY

NONE

Schedule DB - Part E - VBY NONE

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule S - Part 1 - Section 2

NONE

Schedule S - Part 2

NONE

#### **SCHEDULE S - PART 3 - SECTION 2**

|         | Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year |                |                                     |                 |              |   |                   |                      |               |                |                                       |                   |  |
|---------|--|----------------|-------------------------------------|-----------------|--------------|---|-------------------|----------------------|---------------|----------------|---------------------------------------|-------------------|--|
| 1       | 2  | 3              | 4                                   | 5               | 6            | 7                                       | 8                 | 9                    | Outstanding S | Surplus Relief | 12                                    | 13                |  |
| NAIC    |  |                |                                     |                 |              |   |                   | Reserve Credit       | 10            | 11             | Modified                              |                   |  |
| Company | Federal ID   |                |                                     |                 |              |   | Unearned Premiums | Taken Other than for |               |                | Coinsurance                           | Funds Withheld    |  |
| Code    | Number   | Effective Date | Name of Company                     | Location        | Type         | Premiums                                | (estimated)       | Unearned Premiums    | Current Year  | Prior Year     | Reserve                               | Under Coinsurance |  |
| 66346   | 58-0828824   | 01/01/2005     | Munich American Reassurance Company | Miami, Florida. | SSL/A/I      | 293,255                                 |                   |                      |               |                |                                       |                   |  |
| 0199999 | - Total Affiliate  | S              |                                     |                 |              | 293,255                                 |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 | <b></b>      |   |                   |                      |               |                |                                       |                   |  |
|         |  | •              |                                     |                 | •            | • |                   |                      |               |                |                                       |                   |  |
|         | •  | •              |                                     |                 |              | • |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 |              |   |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 |              |   |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 | <b></b>      | • |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 | <b>+</b>     | • |                   |                      |               |                |                                       |                   |  |
|         |  | •              |                                     |                 | •            | • |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 |              |   |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 |              | • |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 | <b>.</b>     | •                                       |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 | ·            | •                                       |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 | -            |   |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 |              |   |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 |              | • |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 |              | • |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 |              |   |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 |              |   |                   |                      |               |                |                                       |                   |  |
|         | •  |                |                                     |                 |              | • |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 |              |   |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 | <b></b>      |   |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 |              |   |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 | <del> </del> |   |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 |              | • |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 | İ            |   |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 |              |   |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 |              | •                                       |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 |              |   |                   |                      |               |                |                                       |                   |  |
|         |  |                |                                     |                 | <b>†</b>     |   |                   |                      |               |                |                                       |                   |  |
|         |  | <u> </u>       |                                     |                 | <b>†</b>     |   |                   |                      |               |                | · · · · · · · · · · · · · · · · · · · |                   |  |
|         |  | <b>†</b>       |                                     |                 | 1            |   |                   |                      |               |                |                                       |                   |  |

### **SCHEDULE S - PART 4**

|         | Reinsurance Ceded to Unauthorized Companies |              |                   |                |                    |              |   |                   |                  |                                      |       |                   |                    |
|---------|---|--------------|-------------------|----------------|--------------------|--------------|---|-------------------|------------------|--------------------------------------|-------|-------------------|--------------------|
| 1       | 2   | 3            | 4                 | 5              | 6                  | 7            | 8                                       | 9                 | 10               | 11                                   | 12    | 13                | 14<br>Sum of Cols. |
| NAIC    |   |              |                   |                | Paid and Unpaid    |              |   |                   |                  | Funds Deposited by and Withheld from |       |                   | 9+10+11+12+13 Bu   |
| Company | Federal ID                                  | Effective    |                   | Reserve Credit | Losses Recoverable |              | Total                                   |                   |                  | and Withheld from                    |       | Miscellaneous     | Not in Excess of   |
| Code    | Number                                      | Date         | Name of Reinsurer | Taken          | (Debit)            | Other Debits | Cols. (5+6+7)                           | Letters of Credit | Trust Agreements | Reinsurers                           | Other | Balances (Credit) | Col. 8             |
|         |   |              |                   |                | · /                |              | , ,                                     |                   | Ü                |                                      |       | \ /               |                    |
|         |   |              |                   |                |                    |              |   |                   |                  |                                      |       |                   |                    |
|         |   |              |                   |                |                    |              |   |                   |                  |                                      |       |                   |                    |
|         |   |              |                   |                |                    |              | • |                   |                  |                                      |       |                   |                    |
|         |   |              |                   |                |                    |              |   |                   |                  |                                      |       |                   |                    |
|         |   |              |                   |                |                    |              |   |                   |                  |                                      |       |                   |                    |
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|         |   |              |                   |                |                    |              |   |                   |                  |                                      |       |                   |                    |
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|         |   |              |                   |                |                    |              |   |                   |                  |                                      |       |                   | ·                  |
|         |   |              | •                 |                |                    |              |   |                   |                  |                                      |       |                   |                    |
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|         |   |              |                   |                |                    |              |   |                   |                  |                                      |       |                   |                    |
|         |   |              |                   |                |                    |              |   |                   |                  |                                      |       |                   |                    |
|         |   |              |                   |                |                    |              |   |                   |                  |                                      |       |                   |                    |
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|         |   |              |                   |                |                    |              |   |                   |                  |                                      |       |                   |                    |
|         |   |              |                   |                |                    |              | • |                   |                  |                                      |       |                   |                    |
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|         | ·····                                       |              |                   |                |                    |              |   |                   |                  |                                      |       |                   |                    |
|         |   | <del> </del> |                   |                | <b></b>            |              | •                                       |                   | <b></b>          |                                      |       | <b></b>           | ł                  |
|         |   | <del> </del> | 1                 |                | <b></b>            |              |   |                   | <b> </b>         |                                      |       | <b>†</b>          | <b> </b>           |
|         |   |              | 1                 |                |                    |              |   |                   |                  |                                      |       |                   |                    |
|         | · · · · · · · · · · · · · · · · · · ·       |              |                   |                |                    |              |   |                   |                  |                                      |       |                   |                    |
|         | ·····                                       |              |                   |                |                    |              | • |                   |                  |                                      |       |                   |                    |
|         |   | <b>†</b>     |                   |                |                    |              |   |                   |                  |                                      |       |                   |                    |
| 1199999 | Totala                                      | <del> </del> | 4                 |                |                    |              |   |                   |                  |                                      |       |                   | 1                  |
| 1199999 | าบเสเร                                      |              |                   |                | I                  | 1            |   |                   | I                |                                      | I     | I                 | 1                  |

# Schedule S-Part 5 Five-Year Exhibit of Reinsurance Ceded Business (000 Omitted)

|      |   | <b>O O O O</b> | millea)   |           |           |           |
|------|---|----------------|-----------|-----------|-----------|-----------|
|      |   | 1<br>2005      | 2<br>2004 | 3<br>2003 | 4<br>2002 | 5<br>2001 |
| Α. ( | DPERATIONS ITEMS  |                |           |           |           |           |
| 1.   | Premiums  | 2              | 2         | 2         | 3         | 3         |
| 2.   | Title XVIII-Medicare  | 0              | 0         | 0         | 0         | 0         |
| 3.   | Title XIX-Medicaid  | 291            | 300       | 354       | 196       | 322       |
| 4.   | Commissions and reinsurance expense allowance                     |                | 0         | 0         | 0         | 0         |
| 5.   | Total hospital and medical expenses                               |                | 0         | 0         | 0         | 0         |
| В. І | BALANCE SHEET ITEMS   |                |           |           |           |           |
| 6.   | Premiums receivable   |                | 0         | 0         | 0         | 0         |
| 7.   | Claims payable  |                | 0         | 0         | 0         | 0         |
| 8.   | Reinsurance recoverable on paid losses                            | 0              | 0         | 0         | 0         | 0         |
| 9.   | Experience rating refunds due or unpaid                           |                | 0         | 0         | 0         | 0         |
| 10.  | Commissions and reinsurance expense allowances unpaid             |                | 0         | 0         | 0         | 0         |
| 11.  | Unauthorized reinsurance offset                                   | 0              | 0         | 0         | 0         | 0         |
|      | JNAUTHORIZED REINSURANCE (DEPOSITS BY AND<br>FUNDS WITHHELD FROM) |                |           |           |           |           |
| 12.  | Funds deposited by and withheld from (F)                          | 0              | 0         | 0         | 0         | 0         |
| 13.  | Letters of credit (L)   | 0              | 0         | 0         | 0         | 0         |
| 14.  | Trust agreements (T)  | 0              | 0         | 0         | 0         | 0         |
| 15.  | Other (O)   | 0              | 0         | 0         | 0         | 0         |

#### **SCHEDULE S-PART 6**

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

|     | Restatement of Balance Sheet to identify Net C             | 1                          | 2                          | 3                            |
|-----|--|----------------------------|----------------------------|------------------------------|
|     |  | As Reported (net of ceded) | Restatement<br>Adjustments | Restated<br>(gross of ceded) |
|     | ASSETS (Page 2, Col. 3)                                    |                            |                            |                              |
| 1.  | Cash and invested assets (Line 10)                         | 10,872,329                 |                            | 10,872,329                   |
| 2.  | Accident and health premiums due and unpaid (Line 13)      | 0                          |                            | 0                            |
| 3.  | Amounts recoverable from reinsurers (Line 14.1)            | 0                          |                            | 0                            |
| 4.  | Net credit for ceded reinsurance                           | xxx                        | 0                          | 0                            |
| 5.  | All other admitted assets (Balance)                        | 855,475                    |                            | 855,475                      |
| 6.  | Total assets (Line 26)                                     | 11,727,804                 | 0                          | 11,727,804                   |
|     | LIABILITIES, CAPITAL AND SURPLUS (Page 3)                  |                            |                            |                              |
| 7.  | Claims unpaid (Line 1)                                     | 5,327,000                  | 0                          | 5 , 327 , 000                |
| 8.  | Accrued medical incentive pool and bonus payments (Line 2) | 0                          |                            | 0                            |
| 9.  | Premiums received in advance (Line 8)                      | 0                          |                            | 0                            |
| 10. | Reinsurance in unauthorized companies (Line 18)            |                            |                            | 0                            |
| 11. | All other liabilities (Balance)                            | 1,797,557                  |                            | 1,797,557                    |
| 12. | Total liabilities (Line 22)                                | 7 , 124 , 557              | 0                          | 7 , 124 , 557                |
| 13. | Total capital and surplus (Line 31)                        | 4,603,247                  | XXX                        | 4,603,247                    |
| 14. | Total liabilities, capital and surplus (Line 32)           | 11,727,804                 | 0                          | 11,727,804                   |
|     | NET CREDIT FOR CEDED REINSURANCE                           |                            |                            |                              |
| 15. | Claims unpaid  | 0                          |                            |                              |
| 16. | Accrued medical incentive pool                             | 0                          |                            |                              |
| 17. | Premiums received in advance                               | 0                          |                            |                              |
| 18. | Reinsurance recoverable on paid losses                     | 0                          |                            |                              |
| 19. | Other ceded reinsurance recoverables                       | 0                          |                            |                              |
| 20. | Total ceded reinsurance recoverables                       | 0                          |                            |                              |
| 21. | Premiums receivable  | 0                          |                            |                              |
| 22. | Unauthorized reinsurance                                   | 0                          |                            |                              |
| 23. | Other ceded reinsurance payables/offsets                   | 0                          |                            |                              |
| 24. | Total ceded reinsurance payable/offsets                    | 0                          |                            |                              |
| 25. | Total net credit for ceded reinsurance                     | 0                          |                            |                              |

#### 52

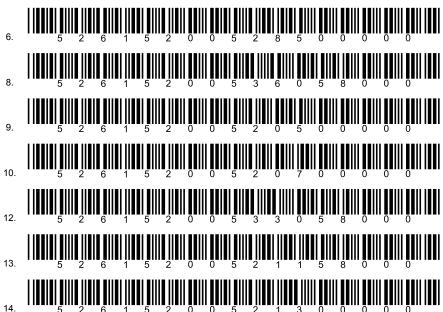
# SCHEDULE Y PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

|           | PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES |  |             |               |                                    |  |                              |                 |          |  |                          |                     |  |
|-----------|--|--|-------------|---------------|------------------------------------|--|------------------------------|-----------------|----------|--|--------------------------|---------------------|--|
| 1         | 2  | 3  | 4           | 5             | 6                                  | 7                                      | 8                            | 9               | 10       | 11   | 12                       | 13                  |  |
|           |  |  |             |               |                                    | Income/                                |                              |                 |          |  |                          |                     |  |
|           |  |  |             |               | Purchases, Sales or                | (Disbursements)                        |                              |                 |          |  |                          |                     |  |
|           |  |  |             |               | Exchanges of Loans, Securities,    | Incurred in                            |                              |                 |          |  |                          | Reinsurance         |  |
|           |  |  |             |               | Loans, Securities,                 | Connection with                        |                              | Income/         |          | Any Other Material<br>Activity Not in the<br>Ordinary Course of<br>the Insurer's |                          | Recoverable/        |  |
|           |  |  |             |               | Real                               | Guarantees or                          |                              | (Disbursements) |          | Activity Not in the  |                          | (Payable) on Losses |  |
| NAIC      |  |  |             |               | Estate, Mortgage<br>Loans or Other | Undertakings for the<br>Benefit of any | Management<br>Agreements and | Incurred Under  |          | Ordinary Course of   |                          | and/or Reserve      |  |
| Company   | Federal ID   |  | Shareholder | Capital       | Loans or Other                     | Benefit of any                         | Agreements and               | Reinsurance     |          | the Insurer's  |                          | Credit              |  |
| Code      | Number   | Names of Insurers and Parent, Subsidiaries or Affiliates | Dividends   | Contributions | Investments                        | Affiliate(s)                           | Service Contracts            | Agreements      | *        | Business   | Totals                   | Taken/(Liability)   |  |
|           | . 38-3379956<br>. 38-3323620                                   | Upper Peninsula Health Plan, Inc                         |             |               |                                    |  | (3,851,291)<br>3,851,291     |                 |          |  | (3,851,291)<br>3,851,291 |                     |  |
|           | 38-3323620   | Upper Peninsula Managed Care, LLC                        |             |               |                                    |  | 3,851,291                    |                 |          | •  | 3,851,291                |                     |  |
|           |  |  |             |               |                                    |  |                              |                 |          | •  |                          |                     |  |
|           |  |  |             |               |                                    |  |                              |                 |          |  |                          |                     |  |
|           |  |  |             |               |                                    |  |                              |                 |          |  |                          |                     |  |
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|           |  |  |             |               |                                    |  |                              |                 |          |  |                          |                     |  |
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|           |  |  |             |               |                                    |  |                              |                 |          |  |                          |                     |  |
|           |  |  |             |               |                                    |  |                              |                 |          | •  |                          |                     |  |
|           |  |  |             |               |                                    |  |                              |                 |          |  |                          |                     |  |
|           |  |  |             |               |                                    |  |                              |                 |          |  |                          |                     |  |
|           |  |  |             |               |                                    |  |                              |                 |          |  |                          |                     |  |
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|           |  |  |             |               |                                    |  |                              |                 | L        |  |                          |                     |  |
|           |  |  |             |               |                                    |  |                              |                 | l        |  |                          |                     |  |
|           |  |  |             |               |                                    |  |                              |                 | l        |  |                          |                     |  |
|           |  |  |             |               |                                    |  |                              |                 | l        |  |                          |                     |  |
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|           |  |  |             |               |                                    |  |                              |                 | I        |  |                          |                     |  |
|           |  |  |             |               |                                    |  |                              |                 | I        |  |                          |                     |  |
|           |  |  |             |               |                                    |  |                              |                 | I        |  |                          |                     |  |
|           |  |  |             |               |                                    |  |                              |                 | I        |  |                          |                     |  |
|           |  | 1  |             |               |                                    |  |                              |                 | T        |  |                          |                     |  |
| 9999999 0 | ontrol Totals  |  | 0           | 0             | 0                                  | 0                                      | 0                            | 0               | XXX      | 0  | 0                        | 0                   |  |

#### SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of **WAIVED** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory

|      | MARCH FILING  | Responses                            |
|------|---|--------------------------------------|
| 1.   | Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?  | YES                                  |
| 2.   | Will an actuarial opinion be filed by March 1?  | YES                                  |
| 3.   | Will the Risk-based Capital Report be filed with the NAIC by March 1?   | YES                                  |
| 4.   | Will the Risk-based Capital be filed with the state of domicile, if required by March 1?  | YES                                  |
|      | APRIL FILING  |                                      |
| 5.   | Will Management's Discussion and Analysis be filed by April 1?  | YES                                  |
| 6.   | Will the Investment Risks Interrogatories be filed by April 1?  |                                      |
|      | JUNE FILING   |                                      |
| 7.   | Will an audited financial report be filed by June 1?  | YES                                  |
| hich | ollowing supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not tranger the special report must be filed, your response of <b>NO</b> to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a basement is required of your company but is not filed for whatever reason enter <b>SEE EXPLANATION</b> and provide an explanation following the | r code will be printed below. If the |
|      | MARCH FILING  |                                      |
| 8.   | Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?  | NO                                   |
| 9.   | Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?   | NO                                   |
| 10.  | Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?  | NO                                   |
| 11.  | Will the Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?  | YES                                  |
|      | APRIL FILING  |                                      |
| 12.  | Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile by April 1?  | NO                                   |
| 13.  | Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?   | NO                                   |
| 14.  | Will the Supplemental Property/Casualty data due April 1 be filed with the state of domicile and the NAIC?  | NO                                   |
| XPL  | ANATION:  |                                      |
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#### **OVERFLOW PAGE FOR WRITE-INS**